

# STRATEGIC PLANNING

## Factsheet 5

Strategic planning is essential for VCSE organisations to avoid mission drift, enable appropriate development and service provision, and demonstrate to beneficiaries and donors how the organisation will meet its objectives.

A crucial first step is agreeing, and then setting out an organisation's key objectives. Trustees/board members need to determine what the vision and mission statement is (or revisit this and confirm it), and focus your resources around delivering this. A strategic planning process will let you think through how this will happen over agreed periods of time, help you see what resources you need and when, and it helps you identify the changes that may need to be made in response to both internal and external factors.



Strategic planning therefore requires flexibility and a willingness to adapt to changing circumstances – it can be challenging for organisations, particularly those who have been around a long time and are accustomed to doing things in a certain way. One key question may be 'if we were starting from scratch, would we be doing this the way we do?' And another may be 'Are we achieving our objectives, and if not, what needs to change, and how quickly?'

If necessary as a result of this exercise, VCSE organisations may well change either their aims, or, more likely, the way they deliver and resource their service delivery. Strategic planning will enable them to manage this change, and identify what resources (not just funding) will be needed to do so. Having a regularly revisited strategic plan means that an organisation understands its operating position and what threats and opportunities external changes bring, and can enable them to respond effectively.

The context for this is, of course, ensuring that a VCSE is achieving its main purpose, whether that is service delivery, income generation to support good causes etc, and strategic planning will support organisations to prioritise actions, development, and investments to maximise this.

A good strategic plan – and the process of achieving it – therefore provides clarity to those involved with the organisation on the outcomes it wants to achieve, and allows leaders to determine how resources will be allocated to deliver those outcomes. Realistic targets and actions, and clear processes for measuring progress, should be built into the plan, having been considered at the development stage. This will also, of course, help prevent mission drift.

The time period covered by a strategic plan will vary depending on the scale and track record of an organisation. Larger, long-standing organisations will find it possible to plan for the longer term – three to five years – whilst newer and/or smaller organisations may find it more useful to think in terms of a 18 months or so. In any event, part of the planning process should be determining what is short, medium, and long term for a specific organisation, and planning to that timescale. It may be difficult to look beyond the short term for detailed projections, but a longer strategic plan is a key element in planning the organisation's direction, and enables VCSE groups to understand both risks and opportunities.

Part of any strategic planning must include a financial strategy, balanced against the other elements to ensure that the plan – and any business plan related to it

It is important that planning and strategy are regularly revisited – again, how often will depend on the nature of the organisation – and that trustees/directors and senior staff remain willing for the strategy to evolve in line with societal changes. The monitoring process contained in the plan is there to be used.

The strategic plan can form the outline of the organisation's business plan. Part of any strategic planning must include a financial strategy, balanced against the other elements to ensure that the plan – and any business plan related to it – is feasible and deliverable, and that the overall strategy is helping the organisation become more financially resilient, ideally by running a structural surplus to enable them to weather any unexpected storms.

It's important to make sure that the strategic plan meshes with real work at the operational and service level, and crucial, therefore, that staff understand what it is and why it exists, so that they are able to operate in a way that is consistent with the strategy and any business plans.

A good strategic plan is a plan for action, and should not become just another piece of paper that is shoved in a drawer and ignored, or whose contents are only known to a few senior leaders.

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